

# **PROFESSIONAL EXCAVATIONS PTY LTD**

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**IMPACT OF PETROL PRICING  
SELECT COMMITTEE**

23 November, 2005

Mr Rob Hansen  
Research Director  
Impact of Petrol Pricing Select Committee  
Parliament House  
George Street  
Brisbane Qld 4000

Dear Sir,

Some 5 years ago, the Queensland Government in their wisdom decided to penalise the construction industry by taking the subsidy off us that each and every other Queenslander enjoys. This was not brought to our notice until 15 months after the inception of this scheme. We were then notified and given a warning that if we did not comply and back-pay the outstanding amount, we would be paying interest and penalties.

For most of us, this was the first time we had even heard of this. When I made inquiries, I was informed that it had been on television (I do not watch television) and it had been in the paper (something I only get twice a week). So all figures had to be collected (at our own expense and time) and the outstanding amount paid to the Queensland Government. After that we had to pay it each time we filled our machines up at the bowlers.

I then started looking into this extra payment that we had to make. I was informed by the Queensland Government, after many letters, and a wait time for a reply of some 2/3 months that the Federal Government was the ones we should be talking to, not the Queensland Government. So then I approached the Federal Government who in turn, blamed it straight back on the Queensland Government. I could not, and still have not, got a satisfactory answer out of either Government. The fact remains that the extra 919 cents still has to be paid by each person in the construction for each drop of diesel that goes into their machines – backhoes, trenchers, bobcats, graders, concrete pump trucks and the list goes on.

Mr Peter Lindsay stated that something could be done about this back in September 2003, but as the Federal Government did not have control of the Senate their hands were tied. Are they still tied now that they DO have control of the Senate?????

Just recently the concrete pump trucks in this area were notified by the Queensland Government that they are included in this unfair and discriminatory "tax". This is the first time these people have been included in it. In the original list they were not on it and now Mr Beattie has decided that they too should be lining the pockets. These poor operators now have to pay five years back pay for this unnecessary added expense. This will force some of these men to close down.

We are seriously considering down sizing our business and laying off operators as this added expense is not working in our favour. As subcontractors to the building industry we are heavily reliant on diesel fuel, and our pricing structure is sensitive to price increases. Our profit margin is being constantly eroded by fuel price increases, because clients resist increases in our rates. Many builders are now



turning to alternative methods in an attempt to reduce costs, and placing pressure on our ability to keep our employees in work.

We feel that we could cope with fuel market fluctuations, but are aware that Government excise and taxes are the main cause of high fuel prices. The Federal Government has an excise on which GST is also levied. Tax on a tax – this is one of their rules that state that this is illegal.

The Queensland Government's discriminatory removal of the 919 cents per litre subsidy on off road diesel, which means, at the height of the fuel price rip off, we were paying almost \$1.40 per litre. This cannot be passed onto our clients, so we have to somehow wear it.

It has placed us in the position where we are giving serious thought to the closure of a large area of our business which has become unprofitable, with the obvious loss of jobs. If we were to put these men off what happens to their families? They too have mortgages etc.

All we are asking of this committee is to see it from our point of view. We are only asking that we be treated as every other Queenslander and give us back our subsidy. The construction industry has had enough and I think the Queensland Government has ripped us off enough over the last 5 years. Please help us to be an equal.

Thank you for your time and consideration and I did enjoy the hearing that I attended in Townsville. I felt for the first time, that there was someone out there that we could approach for a fair and equal consideration.

Yours truly,



Ros Fickling